Rep. Peter Welch (D-Vt.) is leading 36 House Democrats in urging the so-called Super Committee – which is tasked with finding $1.5 billion in budget savings by November 23rd – to find savings by ending wasteful subsidies to the oil industry. Such a move would save up to $122 billion over the next ten years.

In a letter to the Joint Select Committee on Deficit Reduction, Welch and his colleagues noted that, after nearly 152 years in business, big oil and gas corporations do not represent an emerging industry in need of a boost from the taxpayer. In fact, the industry currently enjoys record profits.

"In the current budgetary environment, the United States can no longer afford to give away billions of dollars every year to corporations earning billions of dollars in profits and costing American taxpayers twice: at the pump and through the tax code," Welch and his colleagues wrote.

Last week, Welch wrote a similar letter urging the Super Committee to adopt his Medicare Part D Price Negotiation bill. The measure would require the Secretary of Health and Human Services to negotiate prescription drug prices on behalf of Medicare Part D beneficiaries. Such a move would significantly lower the cost of prescription drugs for seniors and save up to $156 billion over ten years.

Welch's two proposals would save nearly $280 billion over ten years, about 19% of the Super Committee's goal.

Welch was joined in signing the letter by Reps. Blumenauer (D-Ore.), Grijalva (D-Ariz.), Capps (D-Calif.), Moore (D-Wis.), Hinchey (D-N.Y.), Norton (D-D.C.), Roybal-Allard (D-Calif.), McGovern (D-Mass.), Lewis (D-Ga.), Jackson, Jr. (D-Ill.), Hirono (D-Hawaii), Tonko (D-N.Y.), Garamendi (D-Calif.), Slaughter (D-N.Y.), Honda (D-Calif.), Speier (D-Calif.), Olver (D-Mass.), Polis (D-Colo.), Clay (D-Mo.), Hastings (D-Fla.), Moran (D-Va.), Quigley (D-Ill.), Michaud (D-Maine), Cohen (D-Tenn.), Davis (D-Ill.), Filner (D-Calif.), McDermott (D-Wash.), Langevin (D-R.I.), Chu (D-Calif.), Himes (D-Conn.), Pallone, Jr. (D-N.J.), Cicilline (D-R.I.), Price (D-N.C.), Pingree (D-Maine), Holt (D-N.J.) and Rothman (D-N.J.).

The full text of the letter is copied below. To see a PDF, CLICK HERE .

Dear Chairman Hensarling & Chairwoman Murray:

In the current budgetary environment, the United States can no longer afford to give away billions of dollars every year to corporations earning billions of dollars in profits and costing American taxpayers twice: at the pump and through the tax code. We urge the Joint Select Committee on Deficit Reduction to consider eliminating subsidies for fossil fuels as an excellent source of deficit reducing savings. According to a coalition of organizations, eliminating subsidies to the fossil fuels industry could reduce our national debt by up to $122 billion over ten years.

The United States has subsidized fossil fuels for decades. Oil and gas producers and owners have been drilling since 1859 and have been able to recover capital costs of wells through percentage depletion since 1926. After 152 years, domestic oil drilling is a mature industry, and at current record profit levels, needs no subsidy.

The largest source of savings is in our tax code. Tax credits that should be eliminated include the tax credit for refineries, which costs the United States over $1.3 billion over ten years and increases our dependence on tar sands oil, and broader tax subsidies, such as the “last in, first out” accounting for inventories that costs taxpayers $52 billion over ten years with oil and gas companies receiving the bulk of that subsidy.

Elimination of these subsidies will improve the efficiency of our tax code, will not add costs for consumers, and will not damage the fossil fuels industry. According to the Treasury Department, ending the subsidies proposed by President Obama will reduce U.S. oil production less than one half of one percent, and increase exploration and production costs less than two percent. When we consider that the price of a barrel of crude has more than doubled in the last several years, the fossil fuel industry can afford that small increase without eliminating American jobs or increasing the price we pay at the pump. Because oil and gas prices are set at the international level, and the United States is only a small producer of the world’s oil, a slight increase in costs for domestic producers will not increase the price Americans pay for gas.

By eliminating this wasteful spending, we can reduce the deficit and preserve programs that support ordinary Americans. We urge you to consider elimination of these fossil fuel subsidies.

Sincerely,

PETER WELCH

Member of Congress